

AMENDED IN ASSEMBLY MARCH 29, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1127**

**Introduced by Committee on Revenue and Taxation (Corbett (Chair), Harman (Vice Chair), Alquist, Aroner, Cedillo, Koretz, Matthews, and Wyland)**

February 23, 2001

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An act to amend *Section 51296.3 of the Government Code*, and to amend Sections 205.5, ~~833~~, 749, 11338, and 11339 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1127, as amended, Committee on Revenue and Taxation. Property taxation.

Existing property tax law provides, pursuant to the authorization of the California Constitution, an exemption from taxation of the first \$100,000 of the full value of a residence of a disabled veteran or that veteran's spouse, as defined. Existing property tax law increases the exemption amount to the first \$150,000 of the full value of the residence if the household income of the veteran or the veteran's spouse does not exceed \$40,000 as annually adjusted for inflation. Existing law provides, for taxes that attach as a lien in 2002 and each calendar year thereafter, that this inflation adjustment reflect the percentage change in the California Consumer Price Index from October of the prior fiscal year to October of the current fiscal year.

This bill would modify the inflation adjustment formula applied to determine household income for purposes of the veteran's property tax exemption to reflect the percentage change in the California Consumer

Price Index from February to February of the two prior assessment years.

~~Existing property tax law with respect to state assessed property requires the State Board of Equalization to hold secret all information required by the board or furnished to the board in a taxpayer's property statement. Existing law also authorizes county assessors, county or city auditors, and persons authorized by county or city auditors and assessors, to inspect any and all records of the board, as provided.~~

~~This bill would require any person or entity that obtains confidential records, information, and appraisal data from the board pursuant to this authorization to hold secret the confidential records, information, and appraisal data.~~

The Private Railroad Car Tax Law requires the State Board of Equalization to assess the full value of private railroad cars. Existing law allows an assessee to obtain a reassessment of the assessee's private railroad car, if the assessee files a declaration of intent to petition the board for reassessment and files a petition for reassessment within a specified time period.

This bill would eliminate the requirement that an assessee seeking reassessment file a declaration of intent to petition the board for reassessment, and would make conforming changes regarding the time period within which the petition for reassessment must be filed.

*The bill would also correct some obsolete cross-references in provisions relating to farmland preservation under the Williamson Act, and would correct a technical error relating to allocations of the assessed value of state assessed properties.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. *Section 51296.3 of the Government Code is*
- 2 *amended to read:*
- 3 51296.3. Notwithstanding any provision of the Cortese-Knox
- 4 Local Government Reorganization Act of 1985 (Division 3
- 5 (commencing with Section 56000)), a local agency formation
- 6 commission ~~shall~~ *may* not approve a change of organization or
- 7 reorganization that would result in the annexation of land within
- 8 a designated farmland security zone to a city. However, this

subdivision ~~shall~~ *does* not apply under any of the following circumstances:

(a) If the farmland security zone is located within a designated, delineated area that has been approved by the voters as a limit for existing and future urban facilities, utilities, and services.

(b) If annexation of a parcel or a portion of a parcel is necessary for the location of a public improvement, as defined in Section 51290.5, except as provided in ~~subdivision (f)~~ *Section 51296.5* or ~~(g) of this section~~ *51296.6*.

(c) If the landowner consents to the annexation.

SEC. 2. Section 205.5 of the Revenue and Taxation Code is amended to read:

205.5. (a) Property that is owned by, and that constitutes the principal place of residence of, a veteran is exempted from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), if the veteran is blind in both eyes, has lost the use of two or more limbs, or if the veteran is totally disabled as a result of injury or disease incurred in military service. The one-hundred-thousand-dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), in the case of an eligible veteran whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(b) For purposes of this section, “veteran” means either of the following:

(1) A veteran as specified in subdivision (o) of Section 3 of Article XIII of the Constitution without regard to any limitation contained therein on the value of property owned by the veteran or the veteran’s spouse.

(2) Any person who would qualify as a veteran pursuant to paragraph (1) except that he or she has, as a result of a service-connected injury or disease died while on active duty in military service. The United States Department of Veterans Affairs shall determine whether an injury or disease is service connected.

(c) (1) Property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), in the case of a veteran who was blind in both eyes, had

1 lost the use of two or more limbs, or was totally disabled provided  
2 that either of the following conditions is met:

3 (A) The deceased veteran during his or her lifetime qualified in  
4 all respects for the exemption or would have qualified for the  
5 exemption under the laws effective on January 1, 1977, except that  
6 the veteran died prior to January 1, 1977.

7 (B) The veteran died from a disease that was service connected  
8 as determined by the United States Department of Veterans  
9 Affairs.

10 The one-hundred-thousand-dollar (\$100,000) exemption shall  
11 be one hundred fifty thousand dollars (\$150,000), in the case of an  
12 eligible unmarried surviving spouse whose household income  
13 does not exceed the amount of forty thousand dollars (\$40,000),  
14 as adjusted for the relevant assessment year as provided in  
15 subdivision (g).

16 (2) Commencing with the 1994–95 fiscal year, property that is  
17 owned by, and that constitutes the principal place of residence of,  
18 the unmarried surviving spouse of a veteran as described in  
19 paragraph (2) of subdivision (b) is exempt from taxation on that  
20 part of the full value of the residence that does not exceed one  
21 hundred thousand dollars (\$100,000). The  
22 one-hundred-thousand-dollar (\$100,000) exemption shall be one  
23 hundred fifty thousand dollars (\$150,000), in the case of an  
24 eligible unmarried surviving spouse whose household income  
25 does not exceed the amount of forty thousand dollars (\$40,000),  
26 as adjusted for the relevant assessment year as provided in  
27 subdivision (g).

28 (d) As used in this section, “property that is owned by a  
29 veteran” or “property that is owned by the veteran’s unmarried  
30 surviving spouse” includes all of the following:

31 (1) Property owned by the veteran with the veteran’s spouse as  
32 a joint tenancy, tenancy in common, or as community property.

33 (2) Property owned by the veteran or the veteran’s spouse as  
34 separate property.

35 (3) Property owned with one or more other persons to the  
36 extent of the interest owned by the veteran, the veteran’s spouse,  
37 or both the veteran and the veteran’s spouse.

38 (4) Property owned by the veteran’s unmarried surviving  
39 spouse with one or more other persons to the extent of the interest  
40 owned by the veteran’s unmarried surviving spouse.

(5) So much of the property of a corporation as constitutes the principal place of residence of a veteran or a veteran's unmarried surviving spouse when the veteran, or the veteran's spouse, or the veteran's unmarried surviving spouse is a shareholder of the corporation and the rights of shareholding entitle one to the possession of property, legal title to which is owned by the corporation. The exemption provided by this paragraph shall be shown on the local roll and shall reduce the full value of the corporate property. Notwithstanding any provision of law or articles of incorporation or bylaws of a corporation described in this paragraph, any reduction of property taxes paid by the corporation shall reflect an equal reduction in any charges by the corporation to the person who, by reason of qualifying for the exemption, made possible the reduction for the corporation.

(e) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less, or concentric contraction of the visual field to 5 degrees or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and being totally disabled means that the United States Department of Veterans Affairs or the military service from which the veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(f) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of the veteran's exemption provided by subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution and any other real property tax exemption to which the claimant may be entitled. No other real property tax exemption may be granted to any other person with respect to the same residence for which an exemption has been granted under the provisions of this section; provided, that if two or more veterans qualified pursuant to this section coown a property in which they reside, each is entitled to the exemption to the extent of his or her interest.

(g) Commencing on January 1, 2002, and for each assessment year thereafter, a household income limit specified in subdivision (a) or (c) shall be compounded annually by an inflation factor that is the annual percentage change, measured from February to

1 February of the two previous assessment years, rounded to the  
2 nearest one-thousandth of 1 percent, in the California Consumer  
3 Price Index for all items, as determined by the California  
4 Department of Industrial Relations.

5 ~~SEC. 2. Section 833 of the Revenue and Taxation Code is~~  
6 ~~amended to read:~~

7 ~~833. (a) Except as provided herein, all information required~~  
8 ~~by the board or furnished in the property statement shall be held~~  
9 ~~secret by the board. Information and records in the board's office~~  
10 ~~which are not required to be kept or prepared by the board are not~~  
11 ~~public documents and are not open to public inspection.~~

12 ~~(b) This section shall not apply to maps filed pursuant to~~  
13 ~~Section 326.~~

14 ~~(c) Except as provided in Section 38706, the board may~~  
15 ~~provide any assessment data in its possession to the assessor of any~~  
16 ~~county. When requested by resolution of the board of supervisors~~  
17 ~~of any county, or the city council of any city which prepares its own~~  
18 ~~local roll, the board shall permit the auditor or the assessor of the~~  
19 ~~county or city, or any duly authorized deputy or employee of that~~  
20 ~~officer, to examine any and all records of the board. Confidential~~  
21 ~~information, records, and appraisal data obtained by any person or~~  
22 ~~entity pursuant to this subdivision shall be held secret by that~~  
23 ~~person or entity.~~

24 ~~(d) The board shall disclose information, furnish abstracts or~~  
25 ~~permit access to any and all of its records to or by law enforcement~~  
26 ~~agencies, grand juries, and other duly authorized legislative or~~  
27 ~~administrative officials of the state pursuant to their authorization~~  
28 ~~to examine these records.~~

29 ~~(e) The board also may disclose information, records, and~~  
30 ~~appraisal data relating to state assessment of companies engaged~~  
31 ~~in interstate commerce to tax officials of other states having duties~~  
32 ~~corresponding to those described by this chapter. This disclosure~~  
33 ~~shall be limited to instances in which there is a reciprocal exchange~~  
34 ~~of information by the states in which the interstate companies~~  
35 ~~operate, and shall be made only pursuant to a written agreement~~  
36 ~~between the agencies involved. This agreement shall provide that~~  
37 ~~any request for information be in writing, shall specify the~~  
38 ~~information to be exchanged, and shall require that any~~  
39 ~~information furnished be used solely for tax administration~~  
40 ~~purposes and otherwise shall be held secret. This agreement shall~~

1 also provide that any information furnished be disclosed only to  
2 those persons whose duties or responsibilities require access and  
3 shall require that necessary safeguards be implemented to protect  
4 the confidentiality of the information. The request for information  
5 and any written material furnished pursuant to the request shall be  
6 open to inspection by the person to whom the information relates  
7 at the office of the board in Sacramento.

8 (f) ~~Upon receiving any request for confidential information~~  
9 ~~from any person or entity described in subdivision (c) or (e), the~~  
10 ~~board shall promptly notify the state assessee to which the request~~  
11 ~~relates of the identity of the person or entity requesting the~~  
12 ~~information and a description of the information sought. Upon~~  
13 ~~sending any information in response to the request, the board shall~~  
14 ~~simultaneously provide to the state assessee to which the request~~  
15 ~~relates notification describing the information so transmitted and~~  
16 ~~the identity of the person or entity to whom the information was~~  
17 ~~transmitted.~~

18 SEC. 3. *Section 749 of the Revenue and Taxation Code is*  
19 *amended to read:*

20 749. Section 743 shall be applicable to hearings on petitions  
21 for correction of an allocated assessment and the board shall notify  
22 the petitioner of its decision by mail. The decision shall include  
23 written findings and conclusions of the board if requested at or  
24 prior to the commencement of the hearing. Decisions of the board  
25 on petitions for correction of an ~~unallocated~~ *allocated* assessment  
26 shall be completed on or before December 31.

27 SEC. 4. *Section 11338 of the Revenue and Taxation Code is*  
28 *amended to read:*

29 11338.

30 (a) The owner or assessee of any property assessed may file a  
31 petition for reassessment on or before September 20. If the petition  
32 is not filed on or before September 20, or, if the period is extended  
33 by the board, by October 5, the assessment of the board shall be  
34 final.

35 (b) The board may extend the period for filing a petition until  
36 October 5 provided a written request for the extension is filed with  
37 the board on or before September 20.

38 (c) The board shall hear the applicant on such petition on or  
39 before January 31.

40 ~~SEC. 4.—~~

1     *SEC. 5.* Section 11339 of the Revenue and Taxation Code is  
2 amended to read:

3     11339. (a) Any assessment made outside of the regular  
4 assessment period may be the subject of a petition for  
5 reassessment. A petition for reassessment may be filed on or  
6 before the 50th day following the date of the notice of the  
7 assessment.

8     (b) The board may extend the deadline for filing a petition for  
9 a period not to exceed 15 days, provided a written request for the  
10 extension is filed with the board on or before the expiration of the  
11 period for which the extension may be granted.

12     (c) If a petition for reassessment is not timely filed, the  
13 assessment of the board shall be final. The board may consider a  
14 petition which is not timely filed to be a claim for refund.

15     (d) The board shall hear the applicant on such petition within  
16 90 days of the date on which the petition was filed.

